Market Daily Update

28 OCTOBER 2026

Interest Rates (%)		
Australia		**Δ bp**
90-day Bill	4.86	1
3-year Bond	4.89	3
10-year Bond	5.19	2
US		
2-year	4.73	2
10-year	4.99	0
Other 10-year		
Japan	2.81	1
Germany	3.36	-1
UK	5.35	0

FX		
AUD/USD	0.7036	0.2%
AUD/JPY	111.11	0.5%
AUD/EUR	0.6323	0.7%
AUD/GBP	0.5286	0.5%
AUD/NZD	1.2381	0.4%
AUD/CNY	4.6846	0.0%
EUR/USD	1.1130	-0.4%
USD/JPY	157.91	0.3%
USD/CNY	6.6665	-0.1%

RBA Policy	
O/N Cash Rate Target	4.60
Interbank O/N Cash Rate	4.60
Probability of a 25bps Hike in Nov	66.7%
RBA Bond Holdings (30 Sep)	A$214.7b

Commodities US$		
WTI Crude Oil	100.38	-$0.89
Brent Crude Oil	114.41	-$0.72
Mogas95*	130.89	-$1.15
CRB Index	411.85	-3.09
Gold	4064.89	$49.21
Silver	54.44	$0.44
Iron Ore (61% Fe)**	89.30	-$0.35
Iron Ore (26-27 Average)	95.69	-$0.08
Copper	14474.50	$147.00

Equities		
ASX200	8924	143
Dow Jones	52378	16
S&P500	7723	46
Stoxx600	644	3
CSI300	4050	-54

*Mogas95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.
**Iron ore is the second SGX futures contract.

US equities had another positive session despite more members of the S&P 500 falling than rising. Information technology was again unsurprisingly the major swing factor given its large index weighting. Semiconductor shares led gains as AI-related stocks returned to favour. Alphabet, Amazon and Microsoft, among the largest investors in AI infrastructure, are due to report Q3 earnings tonight and provide guidance on future spending. Easing oil prices also supported sentiment amid reports that Iran is open to further talks to end its conflict with the US and Israel. However, the risk of escalation and the Saudi-Houthi conflict limited the decline.

Short-dated US Treasury yields rose ahead of tonight's FOMC interest rate decision. Traders are pricing in little chance of a rate hike at this meeting following September's increase. However, the implied probability of a December hike exceeds 80%, leaving traders closely focused on the Fed's messaging. The US dollar index rose to a two-week high.

In Europe, the Stoxx 600 rose for a second consecutive day, posting most of its gains in the afternoon after a weak start. Ten-year government bond yields were steady or lower across most of Europe. French 10-year yields edged higher but remained well below their recent highs. Asia-Pacific markets were mixed, with the tech rally lifting South Korean and Japanese shares, while China's CSI 300 and Hong Kong's Hang Seng closed lower.

Domestically, the ASX 200 recovered from a weak start to rise 0.5% yesterday and opened higher again this morning, led by mining shares. Australian bond yields edged lower yesterday but opened higher this morning ahead of today's CPI report. The Aussie dollar has gained against the major currencies, including the stronger greenback.

In commodity markets, iron ore is near the bottom of its recent range. Gold and silver and base metals all strengthened.

The Conference Board's US consumer confidence index rose in October for the first time in four months, although its level of 91.7 suggests sentiment remains relatively subdued. Perceptions of job availability improved slightly but remained at levels generally associated with a higher unemployment rate. Durable goods orders jumped 1.8% in September, driven by aircraft orders. Core capital goods orders (excluding defence and aircraft), a proxy for US business investment, rose 0.5%, the fifth consecutive monthly increase.

Today's domestic CPI report is crucial for the RBA's November interest rate decision. Given the RBA's recent messaging, a quarterly rise of 1.0% in trimmed mean inflation, in line with market expectations, would make a Melbourne Cup Day cash rate increase highly likely.

Other central bank decisions today include the Bank of Canada, which is expected to raise its policy rate by 25bps to 2.50%, and the Reserve Bank of New Zealand, which is also expected to raise rates by 25bps to 3.0%.

Economic Data Review

- **US**: Durable Goods Orders (MoM, Sep) – Actual, 1.8%, Expected 1.9%, Previous -0.1%.
- **US**: Conference Board Consumer Confidence (Oct) – Actual 91.7, Expected 81, Previous 81.9.

Economic Data Preview

- **AU**: CPI (MoM, Sep) – Expected 0.7%, Previous 0.4%.
- **AU**: Trimmed Mean CPI (QoQ, Q3) – Expected 1.0%, Previous 0.8%.
- **US**: FOMC Meeting (Fed Funds Target Range) – Expected 3.75-4.0%, Previous 3.75-4.0%.